Honolulu, Hawaii

March 21

, 2014

RE: S.B. No. 2365

S.D. 2 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2365, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE CLAIMS,"

begs leave to report as follows:

The purpose of this measure is to limit the reimbursement of prescription medications to prevent drug prices from becoming an unreasonable cost driver of health care in workers' compensation and motor vehicle insurance claims, while ensuring the same standard of service and care intended for both injured employees under the workers' compensation law and injured individuals under the motor vehicle insurance law.

The Department of Human Resources Development; Department of Human Resources City and County of Honolulu; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; GEICO; and National Association of Mutual Insurance Companies testified in support of this measure. Two concerned individuals testified in opposition to this measure. The Department of Labor and Industrial Relations; Department of Commerce and Consumer Affairs; Automated Healthcare Solutions; Work Injury Medical Association of Hawaii; Property Casualty Insurers Association of America; Chamber of Commerce Hawaii; Hawaii Insurers Council; and Hawaii Medical Association commented on this measure.

Your Committee has amended this measure by removing "major" from the phrase "major retail pharmacy" to include smaller pharmacies throughout the state when determining the availability of a prescription drug in the state for reimbursement purposes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2365, S.D. 2, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: Committee Referral: Date:				
3B 2365 5D2 HD1 LAD, CPC, FIN 3/19/14				
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold				
Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)	1			
3. BELATTI, Della Au				
4. BROWER, Tom		Considerate in the Company of the Section of the Se	A MARINE	
5. CACHOLA, Romy M.				本主法法 提
6. CREAGAN, Richard				5-38-20-00-00-10-38-5-50-00-00-00-00-00-00-00-00-00-00-00-0
7. EVANS, Cindy 8. HAR, Sharon E.				
8. HAR, Sharon E. 9. ITO, Ken			. The Francisco Commence of the Commence of th	
10. LEE, Chris				
11. NAKASHIMA, Mark M.				
12. OSHIRO, Marcus R.	Pagry Clark Str. Cont.	Marketin and the State of Section and the Sect		
13. TSUJI, Clift				
14. YAMANE, Ryan I.	, , , , , , , , , , , , , , , , , , ,		22 THE RESERVE THE	200 200 200 200 200 200 200 200 200 200
15. MCDERMOTT, Bob				
16. THIELEN, Cynthia				
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TOTAL (16)) (·	5
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				